

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 320 - SB 1185

February 28, 2019

SUMMARY OF BILL: Eliminates the requirement for individuals, shops, and schools specializing in natural hair styling or wrapping to be licensed.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$9,200/Board of Cosmetology and Barber Examiners

Other Fiscal Impact - Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The Board of Cosmetology and Barber Examiners experienced a surplus of \$50,787 in FY 16-17, a surplus of \$333,255 in FY 17-18, and had cumulative reserve balance of \$614,875 on June 30, 2018.

Assumptions:

- The proposed legislation would no longer require the Board of Cosmetology and Barber Examiners (BCBE) to issue licenses to 221 individual natural hair stylists, 48 natural hair styling shops, and 5 natural hair styling schools currently licensed in Tennessee.
- Any decrease in expenditures to the BCBE as a result of issuing fewer licenses is estimated to be not significant.
- Fees are administered biennially for individual stylists and shops at \$60 and \$75 respectively, and annually for schools at \$150.
- No longer issuing these licenses would result in a decrease in state revenue to the BCBE.
- The total recurring decrease in state revenue to the BCBE is estimated to be \$9,180 $\{[(221 \text{ individuals} \times \$60) + (48 \text{ shops} \times \$75) / 2\text{-year license}] + [(5 \text{ schools} \times \$150) / 1\text{-year license}]\}$.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two year period. The BCBE experienced a surplus of \$50,787 in FY16-17, a surplus of \$333,255 in FY17-18, and cumulative reserve balance of \$614,875 on June 30, 2018.

IMPACT TO COMMERCE:

Decrease Business Expenditures - \$9,200

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Assumptions:

- The proposed legislation is estimated to result in a recurring decrease in business expenditures of \$9,180 as a result of natural hair stylists, shops, and schools no longer being required to pay a licensure fee.
- The proposed legislation will not have a significant impact on jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/agr